Attorney-Client Work Product

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TO: FILE

DATE: July 30, 1990

FROM: Martha Verscaj, Esq

SUBJECT: Advertising and Event Guidelines

I met with Ellen Merlo, Leo McCullagh and Jim Spector last week to discuss and ultimately agree upon the following guidelines for and approach to promotional efforts and advertisements.

. **The Cigarette Advertising Code** prohibits:

testimonials from athletes, celebrities in the entertainment world and other persons who would have special appeal to persons under 21 years of age;

the depiction in cigarette advertising of persons who are or appear to be less than 25 years of age;

the placement of cigarette advertising in publications directed primarily to persons under the age of 21, such as, college and university publications, comic books and comic book supplements;

the depiction as a smoker of anyone who is or has been well known as an athlete; and,

the depiction as a smoker of any person participating in, or obviously just having participated in physical activity requiring stamina or athletic conditioning beyond that of normal recreation.

As a matter of corporate policy, we have agreed to implement the following guidelines, which exceed the express requirements of the Cigarette Advertising Code.

1. Use of Celebrities and Athletes in Brand and Event Advertisements.

. Pictures of well-known athletes or celebrities will not be used in brand or event advertising;

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- At present, well-known athletes and celebrities will not be used in event-related promotions (i.e. street clinics and non-Philip Morris sponsored events); and,

- We will continue to use the names of well-known athletes and celebrities in event advertising when the athletes and celebrities are participants in the event.

2. Use of Action Shots in Brand and Event Advertisements.

The determination of whether action shots of people participating in athletic activities are appropriate will require a reasoned analysis of the activity being depicted.

- Action shots of physical activities requiring stamina or athletic conditioning beyond that required for normal recreation will not be used.

- Action shots of activities which can be characterized as "normal recreation" may be used.

The guidelines will have the following impact on advertising and promotional materials for existing events.

- **Marlboro Racing**

  - Motorsports are not physical activities requiring stamina or athletic conditioning beyond that required for normal recreation. Action shots of Marlboro Racing cars may therefore be used as long as the action shots do not depict recognizable, well-known athletes or celebrities; and,

  - Marlboro Racing logo, as currently designed, may be used.

- **Marlboro Soccer**

  - Professional soccer does require stamina and athletic conditioning beyond that required for normal recreation. Therefore, action shots or drawings of soccer players, including any part of the body actively engaged in the sport, will not be used; and,

  - Action shots of soccer equipment, such as a ball flying into a net, may be used;

  - Marlboro Soccer logo, as currently designed, may be used.

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- **Marlboro Skiing**

  - Action shots or drawings of people skiing, or any part of the body actively engaged in skiing, may be used as long as those depicted appear to be engaged in normal recreational activity;

  - Action shots of skiing equipment may be used;

  - Marlboro skiing logo may be used if revised to delete the helmet and competitive numbers to insure that the logo does not depict "professional" skiers.

- **Marlboro Powerboating**

  - Powerboating is not an activity requiring stamina or athletic conditioning beyond that required for normal recreation. Action shots of Marlboro Powerboats may therefore be used as long as the action shots do not depict recognizable, well-known athletes or celebrities.

  - Marlboro will be an <u>associate</u> sponsor of powerboating during the remainder of this year. It was agreed that Marlboro will not sponsor Kurt Russell or Don Johnson. Sampling will be conducted. Signage displayed must be crowd justified and will be primarily located throughout the bleacher area. Marlboro participation is likely to increase in 1991 if costs can be justified by exposure.

- **Virginia Slims Tennis**

  - Action shots or drawings of people playing tennis, or any part of the body actively engaged in playing tennis, may be used as long as those depicted are not well-known athletes or celebrities and appear to be engaged in normal recreational activity;

  - Non-active pose or drawing of tennis players who are not well-known athletes may be used;

  - Action shots of tennis equipment, such as a ball flying over a net, may be used; and,

  - Media photos of tennis players may be distributed with the notation "Courtesy of Virginia Slims Tennis."

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. **Programs for Events**

. Event or brand identification may appear on the front cover of the program if an advertisement with an appropriate warning label appears on the back cover. No well-known athletes or celebrities or action shots of activities requiring stamina in excess of normal recreation will be depicted on the front or back cover. Action shots and pictures of well-known athletes and celebrities may be used within the text of the program if those depicted are performing at the event or their picture directly relates to the subject matter of the event.

3. Youth Oriented Issues.

. Neither cartoon characters nor depictions which might be characterized as cartoons will be utilized in brand or event advertising;

. Cambridge bowling Artie will not be used.

. Merit Marty will not be used in the future. Previously produced items containing Merit Marty which will be placed in a bar or club to which admission is limited to persons 21 years of age or older may be used. Other materials previously produced (i.e. ROP and posters for retail display, the audience for which cannot be limited to those over the age of 21) must be discarded and new materials substituted.

. Ginny logo is not a cartoon and may be used if revised to delete cigarette.

. The names of well-known athletes under the age of 21 (e.g. Capriati) who have legitimately qualified under eligibility rules for a particular sport may be used in promotional materials for an event if the use is not made selectively.

4. Miscellaneous Event Rules.

. Incentive items and sweepstakes entry forms may only be distributed to smokers 21 years of age or older;

. Incentive items and sweepstakes entry forms may be distributed to members of the trade and press who are 21 years of age or older regardless of whether they smoke;

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- Non-smokers who are 21 years of age or older may participate in events involving talent or skill (e.g. Merit Comedy and Marlboro Talent Roundup);

- Table tents displayed at bar nights and other event locations where cigarettes are sold are point of sale materials. If under 36 square inches, the table tents do not require warning labels but do require tar and nicotine disclosure. If table tents are displayed at event locations where cigarettes are not sold, warning labels must be affixed and tar and nicotine content disclosed;

- Tickets to events may not be distributed with a product purchase unless discussed in advance with the legal department; and,

- Event advertisements should not contain pack shots.

5. Upcoming Events and Promotions.

We anticipate Philip Morris USA involvement in the following new events.

- **HOT SHOTS** - billiard bar nights - Will be acceptable if located in bars where patronage is limited to people 21 years of age or older. No celebrity involvement;

- **VIRGINIA SLIMS BASEBALL PROMOTION** - hats will be distributed with carton purchase. Advertising will employ the key line "Take him to the ball game." Participants will win tickets to baseball games, an acceptable spectator sport. No celebrity or well-known athlete involvement;

- **BENSON & HEDGES MOVIE TICKETS** - on-pack pass to local movie theatre. Product placement investigation and resultant climate must be carefully monitored in advance of final clearance of the promotion;

- **MARLBORO ADVENTURE TEAM** - The activities will be limited to motor sports and horseback riding -- i.e., will not involve activities that appear to require physical stamina beyond that required for normal recreation. "Are you Tough enough to take the challenge" slogan will be deleted. Advertising will not depict activities in a manner making it

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appear that they require more than recreational stamina.

6. Other Issues Discussed.

- Cross-promotions with other sponsors will be reviewed on a case-by-case basis following a detailed factual analysis;

- As a matter of corporate policy, we have decided to limit outdoor advertising vehicles to those commonly used by other members of the tobacco industry and members of other industries which employ billboards.

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